

Message Text

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42

ACTION AF-18

INFO OCT-01 EUR-25 ADP-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-03 RSC-01 PRS-01 SS-15 EB-11 COME-00 TRSE-00 XMB-07

AID-20 INT-08 SCEM-02 RSR-01 IO-13 /159 W

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O 311308Z AUG 73

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC IMMEDIATE 1598

INFO AMCONSUL JOHANNESBURG IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

C O N F I D E N T I A L LUSAKA 1598

E.O. 11652: GDS

TAGS: EMIN, ZA

SUBJ: REVISION MINE TAKE-OVER AGREEMENTS

REF: LUSAKA 1594

1. JUST HAD BRIEF TALK WITH ACHESON, DIRECTOR OF RCM MANAGEMENT COMPANY, AMAX ZAMBIA, WHO CHARACTERIZED PRESIDENT'S UNILATERAL ACTION AS "TOTAL REPUDIATION" DECEMBER 1969 AGREEMENTS WITHOUT ANY RECOURSE TO PRESCRIBED AND AGREED PROVISIONS FOR CONSULTATION, ARBITRATION, ETC. SAID MINING COMPANIES HAD NOT BEEN CONTACTED IN ADVANCE AND THEY HAD NO INKLING OF WHAT PRESIDENT INTENDED AT PRESS CONFERENCE THIS MORNING. HOUR OR SO AFTER PRESS CONFERENCE AMAX ZAMBIA OFFICE RECEIVED LETTER FROM PRESIDENT KAUNDA TO MANAGING DIRECTOR RIED STATING GRZ INTENTION IMMEDIATELY REDEEM ZIMCO BONDS, ENCLOSING COPY OF PRESIDENT'S PRESS CONFERENCE STATEMENT AND EXPRESSING HOPE THAT COOPERATION BETWEEN AMAX AND GRZ CAN CONTINUE AS IN PAST. THIS WAS FIRST DIRECT NOTIFICATION TO COMPANY OF PRESIDENT'S DECISIONS.

2. ACHESON ALSO REPORTED THAT COMINIC MULAISHO, MANAGING DIRECTOR MINDECO, QUITE SHAKEN BY TUN OF EVENTS AND HE HAD
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NO ADVANCE INDICATION PRESIDENT'S INTENTION. WHAT IS LEFT FOR

MINDECO AND MULAISHO UNDER ARRANGEMENTS ANNOUNCED BY PRESIDENT
IS VERY LITTLE: COPPERBELT POWER COMPANY, MAAMBA COLLIERIES AND
NDOLA LIME COMPANY.

3. ACHESON GUESSED GRZ INTENDED UTILIZE RECENTLY NEGOTIATED
MORGAN GUARANTY-LED 100 MILLION EURODOLLAR CREDIT TO REDEEM
ZIMCO BONDS.

4. ACHESON HAS TELEXED TEXT PRESIDENT'S STATEMENT TO AMAX
HEADQUARTERS IN NEW YORK AND HAS PUT IN CALL TO AMAX ZAMBIA
CHAIRMAN JEAN VUILLEQUEZ, WHO IN NEW YORK FOR MAJOR AMAX
MEETING TODAY (WHICH CALLED PRIOR TO GRZ ACTION FOR OTHER
PURPOSES).

NELSON

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Message Attributes

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30 JUN 2005

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